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Message Text

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70
ACTION EB-07

INFO OCT-01 EUR-12 ISO-00 INT-05 ERDA-07 AID-05 CEA-01

CIAE-00 CIEP-02 COME-00 DODE-00 FPC-01 H-02 INR-07

L-03 NSAE-00 NSC-05 OMB-01 PM-04 USIA-15 SAM-01

OES-05 SP-02 SS-15 STR-04 TRSE-00 FEA-01 PA-02 PRS-01

/109 W
---------- 107456
R 182103Z AUG 75
FM AMEMBASSY OTTAWA
TO SECSTATE WASHDC 7278

UNCLAS OTTAWA 3093

E.O. 11652: N/A
TAGS: ENRG, CA, US
SUBJ: INTERIOR FEASIBILITY STUDY ON TRANSPORT ACROSS CANADA
OF ALASKAN NATURAL GAS

REF: STATE 194997

1. ONLY CANADIAN PRESS COVERAGE OF SUBJECT STUDY EMBASSY HAS SEEN THUS FAR IS MONTREAL GAZETTE STORY OF AUGUST 16 (FINANCIAL TIMES - WASHINGTON DATELINE) ENTITLED "GAS STUDY CAN'T CHOOSE BETWEEN RIVAL PIPELINES." NEWS ARTICLE STATES THAT "FAILURE BY INTERIOR TO FIND FAVOR" IN EITHER ARCTIC GAS OR EL PASO PROPOSALS "HEIGHTENS THE LIKELIHOOD THAT THE CHOICE OF ONE SYSTEM OVER THE OTHER WILL BE STRICTLY POLITICAL." ARTICLE CONTINUES BY STATING THAT "FAILURE OF THE DEPARTMENT TO MAKE A CHOICE MEANS MORE DELAY AND THAT DELAY WORKS AGAINST ARCTIC GAS. ANY SYSTEM THAT IS DELAYED AS MUCH AS THREE YEARS WOULD BE VIRTUALLY OUT OF THE RUNNING AND THE ARCTIC GAS PLAN HAS A NUMBER OF REGULATORY HURDLES TO MEET IN CANADA BEFORE BEING FULLY READY FOR ANALYSIS IN THE UNITED STATES. SO TIME AND POLITICS ARE LIKELY TO BE DECISIVE, ACCORDING TO JACK W. CARLSON, ASSISTANT SECRETARY FOR ENERGY AND MINERALS AT THE
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INTERIOR DEPARTMENT."

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2. GAZETTE QUOTES ARCTIC GAS VICE CHAIRMAN WILLIAM BRACKETT AS SAYING THAT "A QUICK EXAMINATION OF THE REPORT INDICATES TO ME THAT THE PREMISES OF SOME OF THE CASES ARE QUESTIONABLE" AND THAT THE STUDY "REDUCES THE MARGIN OF BENEFIT" OF THE TRANS-CANADA ROUTE. BRACKETT ALSO REPORTEDLY CRITICIZES THE STUDY AS IGNORING THE EFFECT OF U.S. TAXES IN THE CASE OF EL PASO, WHILE TAKING INTO FULL ACCOUNT ALL CANADIAN TAXES.

3. ARTICLE CLOSES BY NOTING THAT ACTING INTERIOR SECRETARY STATED AT BRIEFING THAT THE STUDY IS NOT REPEAT NOT AN INDICATION OF POLICY AND DOES NOT REPEAT NOT ANSWER THE QUESTION OF WHICH OF THE TWO RIVAL PROPOSALS IS PREFERABLE.
PORTER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PRESS COMMENTS, NATURAL GAS, STUDIES, PIPELINE TRANSPORTATION
Control Number: n/a
Copy: SINGLE
Draft Date: 18 AUG 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975OTTAWA03093
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750285-0496
From: OTTAWA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750843/aaaablwx.tel
Line Count: 75
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 75 STATE 194997
Review Action: RELEASED, APPROVED
Review Authority: ellisoob
Review Comment: n/a
Review Content Flags:
Review Date: 24 FEB 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <24 FEB 2003 by ReddocGW>; APPROVED <10 MAR 2004 by ellisoob>
Review Markings:

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US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: INTERIOR FEASIBILITY STUDY ON TRANSPORT ACROSS CANADA OF ALASKAN NATURAL GAS
TAGS: ENRG, PFOR, CA, US
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006